IMPERIAL TAXATION

THE CASE OF IRELAND

PLAINLY STATED

FOR THE INFORMATION OF THE ENGLISH PEOPLE AND OF THOSE OTHERS WHOM IT MAY CONCERN.

BY

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"Melius pejus; prosit, obsit: nihil vident nisi quod lubet"
TER., *Heauton.*, Act IV. Scene 1

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CHAPTER I.

"Nunquam aliud natura, aliud sapientia dicit."
JUVENAL, *Sat.* xiv. 321.

THERE being an United Kingdom constituted of three realms, each formerly mistress of a distinct autonomy, and one of those realms being much more populous and richer than either of the others, or of both combined, it is not unreasonable that the name of the greatest of the three should come to be used popularly, at home and abroad, to designate the Government or Parliament of the United Kingdom. When, therefore, I happen in the following pages to use the words, "The English Government," or "The English Parlia- [illegible] the phrases of the day; [illegible] aware, that the English [illegible] a tincture of Scotch

in it, and that the English Parliament has Scotch and Irish ingredients.

The case which I propose to state is one of grievance against the English Government and the English Parliament.

When one country suffers injustice at the hands of another, governed by a Parliament, and blessed with a Liberal constitution, it is an inaccuracy, if not, indeed, *an abuse of terms*, to designate such constitutional oppression "tyranny." No such phrase will be found in this paper, and no such charge will be laid by me against any one. I cannot, however, characterize beforehand the course of legislation which has been pursued towards Ireland since 1853, nor should I be able to warn my readers of the nature of the case I mean to lay before them if I forbore from describing it as one of *oppression*.

Political oppression in modern times is mostly *financial*. There is no longer occasion for dragonades, people soon recognize *the upper hand*. Once a truce had been agreed to between Germany and France, after the war of 1870, the utmost decorum, and, indeed, delicacy of language were observed during the process of extracting the ransom. What England has done against Ireland, so far as I complain of it now, has been done with a velvet hand, and by ministers who would not, if they could avoid doing so, take the life of a native of Dahomey.

No doubt coercion is and has been frequently used in Ireland, but never in our times to extract money for the State. It is used against persons suspected, and against those violent, sanguine, and sometimes sanguinary individuals, to *some* of whom all law is hateful. But let me here make the same remark on the presence of the latter as factors in politics which I made in Ireland nearly seventeen years ago, in the early days of the Fenians: "If the seeds of those aquatic weeds which we see growing on the bleak hillside fell on dry sound land, they would not even germinate; but as they have fallen on wet sour land they flourish, and you know the land is sour and wet because you see them. If this country were not impoverished by taxation so that its homely industry has not its fair reward, the seeds of revolution would have found in this country no congenial soil wherein to germinate; and if the Legislature would have this country contented and loyal, they will have to reduce the relative scales of taxation in one shape or another to the proportions which prevailed before the advent of the Whigs to office in 1852."

The financial legislation against Ireland which has led to the frightful disparity which now exists, was initiated by Mr. Gladstone in 1853. I remember the first step in that fatal *new de-*[illegible] as if it were taken but yesterday. I am [illegible] to treat of a course of financial

policy of which I have been a witness since its inception. Whatever others may say against the English Government and legislative policy towards Ireland, I shall confine my case to the anatomy—if I may use the term—of the financial legislation, which comprises the whole injustice of which I complain at present.

If I refer to the famine of 1846–47, as I shall have to do, it shall be only as an epoch to mark a period extending for seven years from 1846. I make no charge against England or English legislation that Ireland should have been reduced to such a condition forty-six years after "the union," that the failure of a single crop should have sufficed to plunge her into a sea of desolation. I shall make no comment nor point any moral at the expense of the English Government as to the condition of Ireland before 1853.

The famine occurred between the decennial periods of 1841 and 1851. How many it swept off the land to the grave and to exile, no one can exactly tell. This, however, is certain, that between 1841 and 1851 the population of Ireland fell from 8,175,124 to 6,552,385; and there is no doubt that this diminution of 1,622,739 was due to the inordinate death-rate from famine and famine fever, and to emigration from the impoverished country.

The imperial revenue raised by taxation of Ireland in 1841, with a population exceeding eight millions, amounted to £3,907,238.

The imperial revenue raised by taxation of Ireland in 1851, with a population reduced to a fraction over six millions and a half, was £4,006,711. I make no point whatever on the slight increase of levy from a smaller number of inhabitants in 1851. The English Government, I may, however, observe, had some reason to congratulate themselves that the famine had not quite crushed the people, and that Ireland was able to contribute and did contribute in 1851 her full normal proportion of revenue to the imperial exchequer. Society in Ireland, which shortly after the famine had been disturbed by the revolutionary fever of 1848, had weathered both storms, and was passing by degrees into that condition of approximate solvency, which in frugal and thrifty populations is sometimes mistaken for prosperity.

The Irish people were not, however, prosperous in 1851, 1852, or 1853. I passed those years amongst them in the various districts and centres of their struggling agriculture and restricted commerce. I was just as conversant with their actual state, in three of the four provinces, as the doctor who issues his daily or hourly bulletins is of his patient's condition. My bulletins in those days were not unhopeful. That, however, is all I can say in that direction. In 1853 I had to deal literally with *thousands* of cases where the least extra strain on accruing resources would

have produced insolvency and ruin, and where nothing but the honesty and industry of the traders and farmers could have *pulled them through.* These cases were not exceptional; they were the majority.

I have devoted this chapter to impressing on the reader's mind, that in 1853 Ireland, still suffering from the terrible effects of the famine of 1846–47 and the revolutionary fever of 1848, was barely approaching convalescence, and still by no means a proper subject for increased taxation.

CHAPTER II.

"Felices errore suo."

LUCAN, i. 459.

I COME now to occurrences in Parliament in 1853. On the 18th of April, Mr. Gladstone, the Chancellor of the Exchequer, introduced his Budget. So far as Ireland was concerned, he had to explain that there were still considerable sums due to the treasury, charged on certain of the famine-stricken districts, which had to be dealt with in some way by Parliament.

A committee of the House of Lords had already recommended that the sums constituting these liabilities should be treated as imperial expenditure and discharged by the State out of the

general revenue. These obligations were called in official language "Consolidated Annuities;" the charge to extinguish them was £260,000 a year. Considering that Ireland was then paying four millions a year to the imperial exchequer, it was thought by the Lords' committee fair that the £260,000 a year should be assumed by the State as an imperial expenditure. The inhabitants of the burdened districts in 1853 were fretful that the recommendation had not been complied with. They appealed to the justice and good-feeling of Parliament through their representatives in the usual way.

Their case always appeared to me to be a fair one for *total remission*, but I am not about to concern myself further with it than to explain what was done in respect to it. Mr. Gladstone held over his decision about it until he made his budget speech, which, so far as we are now concerned, was to this effect: The income of the year just closed (1852) was £53,000,000; the expenditure something over £50,000,000; the surplus £2,460,000. What would he do with the surplus?

That simple problem the Chancellor of the Exchequer declined to solve until he made it somewhat complex. He proposed immediately to lower his taxation nets again into the waters to make a new haul, and this new haul being understood as the basis and consideration for the remission he was about to make to the owners and

inhabitants of the particular districts then subject to the Consolidated Annuities, he proceeded to say what he would do with the surplus. He would and did abolish the duty on soap, reduce the duty on tea, the stamp duty, the advertisement duty, and the duties upon about one hundred and thirty articles in the customs tariff; and the Consolidated Annuities he remitted altogether.

Now, it will be plainly seen by any one who has followed my statement so far, that the first point in the case I have to make turns on the question: Whether the new taxes then proposed, and which were subsequently imposed on Ireland, were more or less than an equivalent for the £260,000 a year Consolidated Annuities remitted.

It is not to be forgotten that the Lords' committee sitting *quasi*-judicially had advised, on view of the whole case, that the Consolidated Annuities should be assumed by the State as representing imperial expenditure, without any suggestion to impose a new tax in lieu of them on Ireland, which, to take the most sanguine view of her condition, was barely recovering from the prostration of the famine.

CHAPTER III.

"Non equidem hoc studeo, bullatis ut mihi nugis
Pagina turgescat, dare pondus idonea fumo."
PERS., *Sat.* v. 19.

THERE is such a thing as just taxation; there is such another thing as unjust. The justice or injustice of imposing a particular tax does not altogether depend on the nature of the impost itself, for a particular tax may be fair enough in the abstract, yet unjust in its application. For instance, there may be eight subjects for taxation, each equally proper in the abstract to sustain an impost, but if from five of those the State has already gathered the full amount which the community ought to pay on all, the three subjects which had hitherto escaped taxation should remain untaxed until the burden could be equitably distributed over the entire.

Adam Smith has laid down in his treatise on "The Nature and Causes of the Wealth of Nations"[1] that, "The subjects of every State ought to contribute towards the support of the Government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the State. The expense of government to the individuals of a great nation is like the

[1] Book V. chap. ii.

expense of management to the joint tenants of a great estate, who are all obliged to contribute in proportion to their respective interests in the State. In the observation or neglect of this maxim consists what is called the equality or inequality of taxation."

As I am not aware that this dictum of Adam Smith has ever been contested or even questioned, I assume that it is unnecessary that I should say anything now in support of it; but I shall proceed without circumlocution to point out how, in the financial legislation of our own times, the principle formulated into rule by Adam Smith—providing for such cases as one may expect to arise in every empire made up of several nations—has been violated by the English Government and Parliament.

I have passed from the epoch of the famine 1846–47; I have glanced at the decennial period of 1851 to show the decline of the population and in order to compare the population and revenue of 1851 with the population and revenue of 1841 before the famine.

The condition of Ireland in the spring of 1853 showed a very slight improvement as compared to 1851 or 1852. We know that the special burdens of the famine still pressed upon her.

I shall not say that in this state of things her temporary necessities were availed of to despoil her; but I will prove that the occasion of the

remission of the Consolidated Annuities, although recommended by the committee of the Lords without any suggestion or idea of substituted taxation, was made use of by the Government of the day to *lay on* fresh taxation, and to initiate a line of financial policy towards Ireland which, pursued from 1853 to 1883, has obviously and chiefly, if not solely, produced the widespread disaffection and excessive poverty which we witness in Ireland at this day.

An unjust system of taxation does not, any more than poisoning of the blood by impure air, forthwith evince its specific action; the operation is nevertheless deadly, because it is continuous and the evil cumulative.

Up to 1853 the taxation of the labouring class in Ireland was light. That class came to be regarded by the State as the proletaire class was regarded in ancient Rome. It was universally conceded that their labour largely conduced to the profit of those classes whose wealth was visible, and who were regarded as more eligible subjects for office and distinction and for the honour of contributing to maintain the expenses of the State.

We have already observed that the population had fallen upwards of a million and a half between 1841 and 1851, whilst the imperial taxation had slightly increased, thus clearly indicating that those who had disappeared had not directly contributed any sensible [illegible] venue of the

country. Mr. Gladstone, in 1853, adopted a policy of taxation which sensibly reached the poorest labourer.

We have seen that the occasion of this *new departure* in financial policy was not one of State exigency. The minister had a surplus considerably exceeding half of the annual revenue of Ireland, which in those years may with sufficient approach to accuracy be taken at four millions sterling.

Before I proceed further, let us reflect whether £4,000,000 was more or less than the proportion which Ireland ought to have contributed to the revenue of the empire. It was, within a fraction, equal to one-twelfth of the contribution of England and Scotland taken together.

If the capital value of all the property and incomes of the Irish people in Ireland in 1853 amounted to more than a twelfth of the value of the property and incomes of the inhabitants of Great Britan, then Ireland would have been paying less than her fair quota; but, as a matter of fact, the property and incomes of the Irish were not equal to nearly a twelfth of the value of the property and incomes of the inhabitants of Great Britain, and this statement is notably so far within the truth that I shall reserve the more or less tedious details to prove the case until I find some one rash enough on the part of the Government to join issue with me as to the fact.

CHAPTER IV.

"Quid te exempta Juvat Spinis e pluribus una?"
HOR. 2 *Epist.* ii. 212.

I HOPE no one who has read what I have written so far, believes that I desire to make any such case as that Mr. Gladstone should, as a matter of course, have fallen in with the views of the Lords' committee and have remitted the Consolidated Annuities, out and out, without any equivalent taxation of Ireland.

It is my *opinion* he ought to have done so; but as I do not myself reverence opinions unless commended to me on stronger grounds than the dicta of statesmen and heads of parties, my opinion about the propriety and justice of acting on the recommendation of the Lords' committee may be summarily put aside. What, however, I maintain, not as a matter of opinion, but as a cogent principle of public justice, is, that Mr. Gladstone, in 1853, had no right to use, as he did, the occasion of striking off the Consolidated Annuities as an event and epoch from which to inaugurate a new system of exactions ten times more severe in their exhausting operation on my unfortunate country than the Consolidated Annuities would have been had they remained in force to this hour, or had they been levied in some special tax spread

over the whole of Ireland to the exemption of Great Britain.

Whilst I deny the justice of the course pursued by Mr. Gladstone, I am quite willing to believe, and, in fact, do believe, that he was simply misled. He had *not*, I imagine, sufficiently examined the premises from which he drew conclusions, or had them supplied to him by the treasury officials of the day. The fallacy which underlay all his reasoning was the assumption that *identity of imposts* on articles consumed in Great Britain and Ireland was equivalent to equality of taxation of the two countries. It would dignify that assumption to describe it as a sophism. It is a gross fallacy, for as adopted and carried out it mattered not to that theory whether the articles heavily taxed were consumed equally in both countries, nor whether the articles lightly taxed were equally in use in both. It mattered not whether the articles to be lightly taxed henceforth were those most run upon at all times in the richer country, nor whether those to be most heavily taxed were articles most required in the poorer.

Proclaiming the principle of equality of taxation, the minister substituted for real equality the spurious device of *identical imposts* on articles afterwards carefully selected by subordinates, so that those most entering into consumption in Ireland have been ever since highly taxed, and those most in demand and consumed in England

have been reduced by degrees to a nominal charge.

Ignoring *in toto* the principle that the volume and pressure of existing imperial taxation on the community of Ireland, as a whole, should be carefully estimated before a new tax for imperial purposes was thrown on any class in Ireland, he proposed and carried, in 1853, an Income Tax for Ireland, which alone yielded before the close of 1857 £3,920,213, a sum exactly three times greater—derived from that tax alone—than the charge would have amounted to, if the Consolidated Annuities had remained in force during the same years.

CHAPTER V.

"Look here, upon this picture, and on this."
Hamlet, Act iii. scene 4.

THE course adopted by Mr. Gladstone in 1853, like many other political *coups* not founded on justice, was at first apparently a great success. The policy, however, had and has its dark side, nor have we yet seen the end of it.

Mr. Gladstone's policy towards Ireland—I speak now of his [illegible] policy—contrasts strangely with that [illegible] Peel. When

the latter introduced his Income Tax Bill in 1842, it was strongly pressed upon him that he should include Ireland within its scope; but he steadfastly declined to do so, nor to the day of his death, in 1850, did he ever countenance any proposal to that effect. He declined to include Ireland in 1842, on the ground that, having regard to the relative resources of both islands, Ireland, as a whole, already contributed to the imperial revenue a quota, relatively to her means, quite as heavy as the people of Great Britain would have to contribute *with the addition of the Income Tax.* Who doubts that she did?

If Irishmen of property who were free to select their domicile had some slight advantage in the matter of the Income Tax by living in Ireland, Sir Robert Peel thought it fair to leave them that inducement to reside there, so long, at least, as Ireland on the whole contributed, without an Income Tax, her fair proportion to the imperial revenue. But the contrast between the two policies does not end there.

Sir Robert Peel, four years before the famine had swept over Ireland, commencing his Budget year of 1842 with a deficit of £2,149,885, rejected the notion of including Ireland in the scope of the Income Tax; whilst Mr. Gladstone, in the year 1853, six years after the famine which had reduced the population by that time about two millions, with a surplus of £2,460,000 in his hands,

obedient majority at his back, *laid it on.* The infliction of new taxation on Ireland was not, however, as we know, confined to an income tax. Other channels for draining her earnings were ramified into every department of Irish life and habits, which astute treasury subordinates could discern as likely to yield still another shilling to the taxman.

It is dreary reading, that debate of 1853, and constitutes for the student of Irish politics as melancholy a study as any to be found in the whole of Hansard's volumes. There is, however, one gleam of English honesty—I can scarcely say there is a second—to be found in the report of the 28th of May, 1853. These words fell from Sir Francis Baring, an *ex*-Chancellor of the Exchequer :—

"The relief given to Great Britain by the immediate operation of the Budget of that year would be £1,443,000, and the taxes imposed new and peculiar to Great Britain £403,000, making the amount less to be paid by England £1,040,000. He submitted, for the fair consideration of his fellow-countrymen, whether it was quite fair, when they would be immediately receiving a relief of £1,040,000, to place a new Income Tax on Ireland and a whole amount of additional taxation of £413,000" (3 Hansard, cxxvi. 732).

Yes, Si[illegible]ncis, you did submit that idea of yours to [illegible]deration of your fellow-country-

men, but you did so in vain. They were too much engaged just then in the worship of the golden calves which some one had made for them —that is to say, in congratulating one another on the £1,040,000 just netted.

I cannot close this chapter without returning to the Budget speech, in which Mr. Gladstone announced the new taxes to be carried that session, and his *new departure* in the policy of "Identity of imposts," which was to be the rule in future for Great Britain and Ireland. It was a remarkable speech; but going back upon it some years later, it is even more remarkable for what was left unsaid than for what it contained.

Nothing was said as to the future steps whereby identity of imposts was to be arrived at. A structure, the outlines rather indistinct, was pointed out in the distance. This was to be reached after several marches, but there was no map nor plan of the intervening country, nor suggestion which of many roads they were to travel over. Above all, nothing was said of the intention to level down the taxes common to both countries, but which were chiefly paid by Englishmen; nor anything to indicate that year by year, as the Irish were made to pay heavier taxes on the articles principally consumed in Ireland, the taxes on articles chiefly consumed in England would be nearly done away with. No such duplex action was announced in 1853, but the machinery was pre-

pared for it nevertheless; and when measures to intensify the injustice came before Parliament in subsequent sessions, they were rapidly added to the Statute Book.

Thus the policy of 1853, which impoverished Ireland, has marched together with the reduction of English taxes, and repayment of the National Debt, *pari passu* in grand procession for thirty years.

CHAPTER VI.

> "Non idem gemitus olim, nec vulnus erat par Damnorum."
>
> JUVENAL, *Sat.* viii. 98.

I MUST briefly refer to the sources from which, and to the manner in which, up to 1853, the revenue of the United Kingdom was raised, in order to contrast the incidence of our burdens up to that year with their incidence since then.

There were customs duties, excise duties, stamp duties, and certain "assessed taxes" by which a revenue of £49,292,908 was raised from Great Britain in 1851.[1]

During the same year there was raised, by means of similar taxes in Ireland, but without

[1] These statistics will be found in Parliamentary Return (407), 7 Aug., 1874.

either the so-called "assessed taxes" or the Income Tax, £4,006,711.

The proportion of imperial taxes borne by Ireland in those years—for 1851 was a fair average year—was nearly equal to a thirteenth of the entire revenue of the United Kingdom. I admit unhesitatingly that if it could be shown that the proportion raised from Ireland in 1851 was not sufficient, having regard to the rule in such cases to be found in Chapter III. of this treatise, it would have been right to extend to Ireland some new tax, the Income Tax, or any other, to make up for the deficiency; but I state as a fact susceptible of detailed proof, that the taxable property and incomes of the inhabitants of Ireland were not, in 1851, equal to a thirteenth, and are not now equal to an eighteenth, of the taxable property and incomes of the inhabitants of Great Britain.

Of all the above-mentioned sources of revenue, whether we look for them under the head of "Customs" or of "Excise," the most fruitful in all the divisions of the United Kingdom were, and are, the duties raised on the importation from abroad, and on the manufacture at home, of intoxicating liquors.

I am by no means an advocate for making indulgence in intoxicating liquors cheaper than it happens to be at present. I am by no means an advocate for return to the old system, whereby there were different rates of duty charged on

liquors consumed in the several divisions of the United Kingdom; but there is no occasion to cheapen intoxicating liquors, or to return to diversity of duties to redress the injustice.

The science of political federation and of the distribution of taxation and revenue in empires has advanced sufficiently to enable any accomplished chancellor or statesman to propound a perfectly equitable scheme for the maintenance of identical imposts throughout an empire made up of many states, with populations of various habits of living, containing provisions to redress any unequal incidence of the levies as they first affect the respective peoples or divisions of which the empire is composed.

It is, however, no portion of my present design to propose any such scheme. I am simply arraigning the financial policy commenced in 1853—a policy which may be fairly described as one for the relief of English taxation by the increase of taxation on Ireland; a policy steadily pursued ever since 1853 with the results which we see in Ireland, namely, wide-spread poverty and disaffection amongst the working classes, and a sullen sense of injury on the part of the land-owning class, who, not having been wise enough, or strong enough, to arrest the impoverishment of the people, have been forced by law to contribute a fourth of [illegible] to help to assuage the discontent [illegible]

I have now to explain how the duties affecting intoxicating liquors were levied on and borne by England and Ireland respectively up to 1853; and first I shall refer to the malt duty as coming under that head.

The duty on brewers' drinks (beer, ale, and porter) until very lately was levied on malt, the chief ingredient in their manufacture. Prior to 1853, as since, the duty on malt, whatever it may have been, was identical for England and Ireland.

The first fact I desire to impress at this stage is, that the consumption of alcohol in brewers' drinks in England was, and is, considerably greater than the consumption of alcohol in that form or in any other, or in all combined, by the people of Ireland.

The next fact is, that the people of Ireland, although they consumed a smaller quantity of alcohol in all forms taken together than the inhabitants of either of the other two great divisions of the United Kingdom, consumed in the form of whiskey a much larger proportion than they consumed in the form of beer.

There are many physical reasons, wholly apart from any moral or immoral cause, why this should be so, but I am not concerned to discuss them in the least.

Up to 1853 the duty on beer levied on the ingredient of malt alone was, in relation to the spirit it contained, five times heavier than the

duty on Irish whiskey. The actual duty on the malt was 2*s.* 8½*d.* a bushel. There was also a duty on another ingredient of beer (hops), but we need not concern ourselves about it. It would heighten the case I have to make to go into the question as to hops, but it is not required; the case is overwhelming.

I take leave again to remind my readers that the disparity of duties in England and Ireland prior to 1853 did not necessarily, and did not in fact, imply inequality of taxation, having regard to Adam Smith's rule, set forth in Chapter III.

So far as equity of imperial taxation was concerned, if the totals of the imperial taxes levied on both countries respectively were proportionate in each case to their respective means, conformably to the rule I have referred to, there was nothing to cavil at in the disparity of certain duties prior to 1853.

In 1853, up to Mr. Gladstone's Budget speech, the duty levied in Ireland on the Irish alcoholic beverage, whiskey, was 2*s.* 8*d.* a gallon. That this was a heavy tax, having regard to the slender means of the people who had to pay it, is quite evident, for the spirit duty constituted more than a fourth of the whole revenue raised by taxation in Ireland. For example, it amounted in 1851 to £1,147,099 out of £4,006,711.

What has been the course pursued since 1853 ostensibly, or purporting to be, in accordance

with the principle announced by Mr. Gladstone in his Budget speech of that year, which I shortly designate the "Identity of Imposts" principle?

Before I answer, I wish to call attention in some special way to the precise nature and bearing of the question. I have often found that intelligent people in Ireland, as well as in England, who have not given such long and patient attention to this subject as I have had myself to bestow upon it, are beguiled more or less by the semi-transparent sophisms which have been craftily diffused and ignorantly swallowed by the English public for thirty years on the subject of equality of taxation.

One of those persons, whom I shall designate as "the typical Englishman," holds forth somewhat in this fashion:—

"We all wish, sir, to do justice to Ireland, and I think we are always doing her justice, and more than justice. In former times, no doubt, the conduct of England was bad, but certainly not for the last fifty years. There were, no doubt, religious disabilities in Ireland fifty years ago; we have swept them all away. There was in Ireland what the majority of the people called an alien Church—the Church, by-the-by, of the former Irish Parliament, which you are all so anxious to have back. Well, sir, we have swept that away after the Parliament. The Irish had a land code in all essential features the same as the land code which exists to this day in Eng-

land. We found the landowners in Ireland made such bad or unwise or unfortunate use of their powers that discontent prevailed amongst the tenant and labouring classes, so we confiscated or arranged to confiscate, not to the State, bear in mind, but in favour of the occupying tenants, about a fourth of the property in the land which, according to the theory of the law previously accepted, belonged to the landlords. The Irish, I assure you, do not pay a single tax at present which is not also levied at the same rate and in the same fashion on the people of England on identically the same articles; and there are taxes, imperial taxes, still levied in England, which the Irish are not subject to. As for religious freedom and personal liberty, where in Europe is religion more free? And as for personal liberty, until human life became insecure, personal liberty stood on the same footing in Ireland as in England. Until human life, I say, became insecure, there was the fullest liberty for public meetings. We even abolished a few years ago the Convention Act of the Irish Parliament, in order to make liberty of public meetings as full in every sense in Ireland as in England. So confident were her Majesty's present advisers in their justice and good-will towards Ireland, that they allowed a temporary Coercion Act, imposed by a former Government, to expire without renewing it. The measure of coercion which now exists is a measure

of public safety, and the English Government in the face of the murders and outrages which prevailed were bound to obtain powers from Parliament to overawe, detect, and punish malefactors, and to restrain that expression of opinion on the platform and in the press which appears or appeared to give countenance to crime."

There is not a word in that condensed little English specimen speech which is not *in terms* true, and some part of it is equally true in substance. What, however, I maintain is, that a case of great wrong and injustice towards Ireland exists in English law, equally apart from the case usually set up in platform tirades and from the case set forth in the laudatory and self-complacent terms of the typical Englishman.

I am bound to show what this case of injustice is. I am about to show that it has nothing to do with those wrongs of Ireland in the historic past, which Englishmen are so free to admit when it costs them nothing, and which I don't think worth recalling for a moment.

My readers will, I hope, pardon this short digression, but to my mind it appeared necessary.

I now return to the question as to the course pursued since 1853 on the principle of "Identity of Imposts," to be applied thenceforth to Ireland and Great Britain alike.

One would imagine that, in the worst view of the case, it would not have meant that a new

selection of articles to carry a heavy duty, and of articles to carry a light duty, would be made, and that having discovered what articles were most in demand and consumption in England and least sought for in Ireland, such articles would be fixed upon for light duties; that the cash paid by England up to 1853 would be reduced considerably when reductions of duties were made, and the cash payable by Ireland would be reduced very slightly; nor could it be imagined that, when duties were to be raised, those articles would be selected which, relatively to the numbers of the people, were most largely consumed in Ireland and least in England.

Such could not well be imagined, and it would have been, I dare say, insulting to the Government in 1853 to have hinted that such a course would be pursued. But that is the precise course which has been pursued, as I shall make manifest.

The duty on Irish spirits in 1853 was levied at the rate of 2*s.* 8*d.* per proof gallon. It has been since raised to 10*s.*, which was an increase to nearly four times the old duty.

I have now to consider what was the course pursued in relation to the duties on the popular beverage of England. This is what has occurred: the malt duties have been reduced from 2*s.* 8½*d.* a bushel to 6*d.*; that is to say, the duty on beer has been reduced to less than a fifth of what it stood at before 1853.

The duty on malt has been lately commuted into a duty on beer, equivalent to a malt duty of 6*d.* a bushel, and this is shortly what the commutation has proved: that the English paid up to 1853 a duty in respect to their beer of more than 10*s.* on the alcoholic equivalent of each proof gallon of spirits contained therein, and they now pay less than 2*s.* in respect to same; whereas, since 1853, the duty on the proof spirits contained in the Irish popular beverage has been raised from 2*s.* 8*d.* a gallon to 10*s.* If I were given to strong language, I would not be satisfied simply to say, as I do, that this is a case of very great injustice and abuse of power. When it is reflected that these changes or *bouleversements* of the normal taxation, which I have already described, cost Ireland several millions sterling a year from the date of their completion up to this, and relieved England of a still greater sum—for it relieved her in the face of the most enormous consumption of alcohol in the vehicle of beer, or in any other that the world has ever seen—it seems to me almost cruel to myself to pursue the subject, but I shall not pass from it until I have explained what the legislation has been in respect to the wine duties.

In 1853, the duties on wines were so much per gallon, irrespective of strength. As a matter of fact, however, these duties were much heavier, save on some trifling colonial descriptions, in respect to the alcohol they were known to contain

than the duty on spirits made in Great Britain or Ireland was then, or is now. Wines were relatively most largely consumed in England, and least in Ireland. This is what has happened since 1853, in respect to wines which are now introduced under an alcoholic scale of duties. The duty on strong wines (ports and sherries) has been fixed on the volume of spirits which they contain at the rate of 6*s*. per proof gallon. The duty on hocks and claret has been fixed on the volume of spirits they contain at the rate of 4*s*. per proof gallon. Thus it happens that the Irishman, too poor to pay for vinous dilutations, but requiring, or thinking he requires, some stimulant, is made to pay in respect to the spirit which he mixes with water 150 per cent. higher duty than his richer neighbour, who can afford to drink claret or hock, has to pay on the spirit contained in those wines.

Before pronouncing the taxation of any country fair or unfair, if the country be one of several constituting an empire or confederation, the taxation must be viewed in relation to the comparative wealth or poverty of the inhabitants of the respective countries which constitute the empire or confederation. The actual sum contributed, without other data, is no guide whatever.

England and France are at once the most heavily and the most lightly taxed countries in Europe; the most heavily taxed having regard to the enormous revenues raised in both by means

of taxation, and the lightest taxed having regard to the wealth of these countries respectively. I mention this merely for purpose of illustration. I am not about to institute any comparison between England and France, or to enter upon the arithmetical comparison of one country with another.

Again, let me observe, the two hundred millions —more or less—who constitute the population of India do not, on the whole, pay an amount of taxation equal to 5*s.* per annum for each head of the population.

Let no one, however, hastily say that they are not fully taxed, state by state, proportionately to their ability. I am by no means so versed in the knowledge of India or of Indian affairs as to justify me in giving an opinion that they are overtaxed. I simply mention the fact that a tax of 5*s.* per head suffices to enable the affairs of our Indian Empire to be carried on with splendour, because I wish to induce my readers to pass to the consideration of the progress of taxation, when measured over a given space of time, per head of the population governed, and because I desire to view the taxation of the Irish people and the progress of the policy of exaction from another standpoint.

In 1851, the revenue raised by taxation in Ireland was, as I have already said, £4,006,711. The incidence of this total fell on each unit of the population at the rate of 12*s.* 2*d.* per head.

In 1853 occurred the *new departure*, which I have described as the "Identity of Imposts" scheme of Mr. Gladstone. It operated in this fashion, worked with the peculiar double action I have explained.

The revenue raised by taxation of Ireland was forced up from £4,000,000, in 1851, to £6,420,378, in 1861, and the incidence per head of the population was forced up from 12*s.* 2*d.* to £1 2*s.* 1*d.*, without one valid reason why it should have been raised a penny.

It was not, however, until the decennial period of 1871 that we had the full development. In 1871, the revenue raised by the taxation of Ireland amounted to £7,086,593, and the incidence per head had been forced up to £1 6*s.* 2*d.* At or about these figures the taxation of Ireland remained until towards the end of the next decade, when it declined from the increasing poverty of the people, and their inability to consume their usual very moderate quantities of articles subject to Excise or Customs duties.

No parliamentary paper has been furnished, showing the comparative figures for 1881; nothing, however, to modify or radically alter the aspect of the case for the better has occurred since 1871.

In the twenty years from 1851, the imperial taxation of Ireland had been increased seventy per cent. on a waning population.

The imperial taxation of Great B

in face of lowered duties from £49,292,908 to £57,534,683 in the same period, being an increase of about seventeen per cent., which, however, was so far less than the increase of population that the tax was 3*s.* 3*d.* per head less in Great Britain in 1871 than in 1851.

When you contrast this lightening of the burden per head of 3*s.* 3*d.* in Great Britain with an increase of burden of 14*s.* per head in unfortunate Ireland, can any one be surprised that we have a diminished, poverty-stricken, and disaffected population at home, and an irate and resentful section of our people abroad?

Ireland, since 1853, has been paying out her vitals in taxation. There is not one pound extracted from her over the scale of 1851—four millions, or thereabout—that does not of right belong to her for purely local and Irish purposes.

If the present rates of duties are to continue, the State must inquire and discriminate as to the proportion which of right belongs to the empire and of right belongs to Ireland.

There is nothing formidable or abstruse in such an inquiry. If such a question arose between Turkey and Egypt, or between any State in the German Empire and the empire itself, it would be as much a matter for sober inquiry and redress, if redress were due, as any case between individual subjects. As the case stands between Great Britain and Ireland, their relations are

becoming a world-wide scandal, and something must be done to abate it.

The Irish people have been mulcted of more than three millions a year beyond the proportion they had to pay before 1853, or would have to pay now, were they assessed on any such principle as that laid down by Adam Smith; and when in their consequently impoverished and helpless state they get some dole out of the imperial treasury, whether it be by loan or gift or allocation from the Church fund, it is the habit of English writers, post prandial orators, and of some few glib spokesmen in Parliament to refer to such transactions as if England and the English Parliament were overflowing with charity and good-will, and were frequently making sacrifices, such as they really never make, at the cost of the suffering British taxpayer to a cherished but beggarly, ungrateful, and importunate sister.

This line of affected humanity, or of genuine *sentimental* humanity (as, I doubt not, it is *in some cases*), side by side with the taunts too common in the English press, has exasperated the minds of the Irish on both sides of the Atlantic; and from resentment against the rulers of a country apparently doomed to perpetual poverty spring violence and crimes which shock mankind. If it be any use that I should denounce such crimes, I denounce them with all my heart, and not the less sincerely, because I recognize

and point out causes, which have conduced to the impoverishment and disaffection of the people, amongst whom bands of assassins have of late masqueraded as patriots and deliverers

"—— sic semine Cadmi
Emicuit Dircea Cohors."

I have already exceeded the limits I had laid down for myself within which to state this case, yet have I omitted every detail which could merely heighten the effect of my statement. There is one subject, however, to which I must allude very briefly.

The Income Tax levies throughout the United Kingdom are based on computations of the gross incomes of the inhabitants liable to the Income Tax. But taxation other than Income Tax reaches the wage earning classes in the United Kingdom, of whose incomes there is no statistical account.

The incomes of the *non*payers of Income Tax in Great Britain cannot be exactly computed. My own estimate is that the incomes of those who are in good circumstance but pay no Income Tax in Great Britain amount to thirty times the sum of the incomes of the Irish nonpayers. But I throw that proportion out of consideration; I am unable to prove it.

I take the value of the incomes under the following schedules for Great Britain and Ireland for the year 1871 A, B, and D:—

Total incomes for Great Britain under these three schedules	£377,207,008
Total incomes for Ireland under the like three schedules	23,405,568
Total for the United Kingdom	£400,612,576

These figures indicate that the gross taxable incomes of Ireland under these three schedules do not amount to one-seventeenth of the totals for the United Kingdom, whilst Ireland paid a total of Imperial Taxes only fractionally less than an eighth of the payment by Great Britain.

The incomes under schedules C and E are those arising from "funded property," "salaries and pensions," respectively. They are not dissected in the statistical returns for the United Kingdom which I have before me, and I am unable at the moment to apportion the figures. I am able, however, to say that when analysed they scarcely vary from the proportions shown in the total of the other schedules, and that I am well within the truth when I assert that the imperial taxation of Great Britain measured by an Income Tax in 1871 would barely exceed 2*s.* 6*d.* in the pound, whilst that of Ireland would sensibly exceed 5*s.*

I ha[illegible] brought this weary case near to a close. [illegible] the facts. I have said i[illegible] epeat: that the i[illegible] nd since 1853, [illegible] xed propor- [illegible] el of Great

Britain, has been, having regard to the means of Ireland and the wealth of France, a heavier burden than the war indemnity levied by the victorious Germans cast upon France.

I do not believe in the recovery of prosperity and peace in Ireland unless the financial policy of 1853 is practically reversed. I am sorry to say this; but the struggle *to live and thrive* in Ireland under the burden of a taxation increased within twenty years, without any reciprocal benefit to the people, more than 120 per cent. on each head of the diminished population, is a hopeless one, except under rare circumstances, which cannot apply to the people at large.

CHAPTER VII.

"Decipimur specie recti."
HOR. *Ars Poet.* 25.

WE have been lately told that the parliamentary return of the taxation of the three divisions of the United Kingdom obtained by Mr. McLaren (for the year ending March 31, 1880) should modify our views of the relative proportions of the taxation now borne by Great Britain and Ireland, and consequently of the relative pressure of

imperial taxation on Ireland, and on the other divisions of the United Kingdom. I have carefully examined that return, and have simply to observe that quite as manifest a case of injustice, as that which I have made out in the foregoing pages, can be proved on an examination of Mr. McLaren's return. The year for which the return is made up was, it is well known, a year of pressure and of failure of crops in Ireland such as had not occurred for twenty years previously, and there was for that reason, and for no reason other than straitened means, an abnormal decrease in the quantities of articles consumed in Ireland which paid Excise or Customs duties.

Having made that remark, I shall have to point out what Mr. McLaren's return unquestionably shows; but before doing so, I must refer to the statistical abstract of the United Kingdom, issued by H.M.'s Government for the year to April 5, 1880. That abstract returns the incomes subject to assessment for Income Tax as follows :—

For Great Britain	£542,108,655
For Ireland	34,684,246

It would not be difficult, if it were needful, to prove that, owing to an innovation, and an erroneous one, the figures for Ireland are returned in the above abstract eight millions in excess of the true total. Having said this, however, I am content for the present to leave the figures as they are, and I shall proceed to deal with Mr.

McLaren's return, which would show, if all inquiry ended there, that Ireland paid in imperial taxes a sum equal to *only a tenth* of the sum raised by taxation of Great Britain. *Only a tenth!* Make note of that.

If I concede everything to Mr. McLaren, without modification of any kind, that is what his return would make out.

But that being so, we have yet to examine whether a tenth is the fair proportion of the imperial taxation which Ireland ought to bear. To do this, I have simply to recall the figures already extracted from the statistical abstract, and these show (without insisting on any correction of the eight millions error to which I have alluded) that the proportion of taxation, which Ireland ought to bear, should only fractionally exceed a *fifteenth* of that which should be borne by Great Britain. But that return is subject to modification.

The latest direct Parliamentary evidence on the subject of the relative means of Great Britain and Ireland—that is to say, of the proportionate ability of each island to bear taxation—will be found in a Treasury return to an order of the House of Commons dated 24th April, 1882, on Population, Revenue, and Expenditure; being No. 154 of the Session of 1882. That return was furnished to the House of Commons on the motion of the Financial Secretary of the Treasury. There

are a few sentences in it which refer to the growth of *yield* from each penny of Income Tax. The document is a most creditable model of Official Statistics. The cause of its appearance was to illustrate, and bring as nearly as possible to precise arithmetic, the statements made on certain matters in Mr. Gladstone's Budget speech of 1881.

Mr. Gladstone had said, along with other things :—

"Between the years 1852 and 1877–8 the penny in the Income Tax, after allowing justly for all changes in the way of allowances and remissions, so as to make the comparisons approximately precise, had grown from £810,000 to £1,990,000 —that includes Ireland."

The £810,000 did not, however, include Ireland; and the Treasury return of 24th April, 1882, was designed to make the comparison for Great Britain by excluding Ireland from the figures in the end as well as at the beginning.

The title of the return is endorsed upon it as follows :—

"Return showing the figures upon which the Chancellor of the Exchequer based, in his Budget speech of Monday, 4 April, 1881, his comparison of the progress of Population, Revenue and Expenditure since 1842."

The value of this return in my present examination or analysis is to show precisely, *on Treasury Authority*, what one penny in the pound Income Tax yielded in Ireland as compared to Great Britain, in order that I may thereby deduce the proportions which the totals of the Incomes of

Great Britain and Ireland bear to each other. The following are the words and figures of the Treasury Return.

"In the last year for which the figures are complete, viz., 1879–80, the produce of the Tax was, per penny ... £1,839,000

Deduct Irish portion of Tax ...	95,000
	£1,744,000
Add for abatements and allowances	202,000
	£1,946,000

[The exemption of incomes under £150 does not affect the comparison as above.]

It should be borne in mind that such a statement as that to which this return applies, must be essentially approximate and not exact."

I decline to avail myself in this comparison of the £202,000 added above to the estimate of the yield of the 1*d.* Income Tax in Great Britain; because it is subject to explanations, which, although they only scratch the surface, may as well be set aside in a case like this, brimming over with proofs. I shall compare the produce of the penny Income Tax for Ireland, 1879–80, £95,000, with the produce of the penny Income Tax for Great Britain (without any surcharge such as was made in the Treasury return), namely with £1,744,000. These figures show that the Taxable property and Incomes which form a common base for taxation in both Islands, are more than eighteen times greater in Great Britain than they are in Ireland.

Under these circumstances I ask, what is the value of an argument which is fraught with the admission that Ireland pays a tenth? and yet we have lately seen that the fact that Ireland was proved to have paid in a year of great exhaustion fully a tenth, was seized upon as if it triumphantly replied to the whole case, and to every case ever made in parliament or elsewhere on the subject of the inequality of the present taxation in the several divisions of the United Kingdom.

In the end the injustice will not redound to the advantage of England. A sense of grievance on the part of five millions of Irish in Ireland, and ten millions elsewhere, however obscured from lack of political knowledge, or clouded and disfigured by passion, violence, and crime, can only be dissipated by Justice.

Quæ animi affectio suum cuique tribuens, atque hanc, quam dico, societatem conjunctionis humanæ munifice et æquè tuens, Justitia dicitur.—Cicero, "de Finibus," lib. v. 23.

There is no need to pursue the subject much further; the fact is, the injustice towards Ireland in the matter of imperial taxation is so great that nothing but the shallowest and silliest substitutes for argument are ever adduced, or are adducible in defence of the present system.

What, for instance, can be the logical force of pointing out certain imposts, great or small, which the English pay, and which the Irish have not to

pay, when it is already proved that including these taxes Great Britain's contribution is only as 10 to 1 when it ought to be as 15 to 1 or 18 to 1?

There can be no just proportion which the taxation of one island should bear to the other, except that which has relation to the totals of the incomes as ascertained from time to time of the respective populations.

We have seen that no inquiry was made in 1853, prior to the *new departure* (the Identity of Imposts scheme) of that year, as to the relative abilities of the English, Scotch, and Irish to bear increased taxation.

I have never denied the fact that some injustice was also done under that scheme to Scotland; for instance, when since 1853 the malt tax was lowered and the spirit duties contemporaneously increased; but the question of injustice is one of degree. Nothing nearly approaching the terrible injustice done to Ireland was in fact practised on Scotland, because the total incomes of Scotland were so much greater than those of Ireland, that she could bear a total taxation in the proportion of eight for Scotland to five for Ireland and no such proportion has been cast upon her. Nevertheless, Scotland is entitled to have the proportion of her imperial taxation reviewed if she desires to have them gone into; and she is entitled to have such amount as she may be proved to contribute in excess of her fair

quota applied to local objects. It is no portion, however, of my duty to go into that case, whilst the case of injustice to Ireland is so much more pressing and dangerous to her future peace and prosperity.

Upon the question how far the condition of Ireland now affects or may affect in the future the peace and prosperity of this empire, I shall not trust myself to write, but I am anxious to impress on English statesmen that financial justice between the several divisions of the United Kingdom is indispensable to peace and union. For thirty years their financial policy towards Ireland has been pursued in disregard to true political economy as defined by its greatest master.

Adam Smith has written, "Political economy, considered as a branch of the science of a statesman or legislator, proposes two distinct objects: First, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves; and, secondly, to supply the State or commonwealth with a revenue sufficient for public services. It proposes to enrich both the people and the sovereign."[1] It would be difficult to make out, that the Government and Parliament of England have not constantly *for the last thirty years*—my case goes no further back—deliberately set aside or postponed the first of these objects, in order to

[1] Introduction to Book 4 of "Wealth of Nations."

promote the second, with a *minimum* pressure on the richest of the three countries, and with a resultant injustice to the poorest, which demands the highest qualifications of statesmanship, wisdom, justice, and courage to repair.

67, LANCASTER GATE, W.,
June, 1883.